



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 26, 2008
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: January 2008 Investment Report

RECOMMENDATION:

That Council accept the January 2008 Investment Report

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of January 31, 2008.

ATTACHMENT: January 2008 Investment Report
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

REVIEWED BY: _____ Finance _____ Attorney

Agenda Item No. _____

CITY OF SANTA BARBARA
Activity and Interest Report
January 31, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

01/07	LAIF Deposit/City	\$	1,000,000
01/09	Federal Home Loan Mortgage Corp. (FHLMC)		2,000,000
01/15	Berkshire Hathaway Finance Corp. (BRK)		2,250,000
01/22	LAIF Deposit/City		1,000,000
01/23	LAIF Deposit/City		4,000,000
01/29	LAIF Deposit/City		2,000,000
01/31	LAIF Deposit/City		1,000,000
Total		\$	13,250,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

01/03	LAIF Withdrawal/City	\$	(1,500,000)
01/04	LAIF Withdrawal/City		(1,500,000)
01/09	LAIF Withdrawal/City		(1,500,000)
01/15	LAIF Withdrawal/City		(2,500,000)
01/18	Federal National Mortgage Assn. (FNMA) Maturity		(2,000,000)
01/18	Federal National Mortgage Assn. (FNMA) Call		(1,000,000)
01/28	Federal Home Loan Bank (FHLB) Call		(2,000,000)
Total		\$	(12,000,000)

ACTIVITY TOTAL

\$ 1,250,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$	535,304
Amortization		37,722
SBB&T Sweep Account Interest		4,615
SBB&T Trust Account M/M Interest		2,331
Total	\$	579,972

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 82,361
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TOTAL INTEREST EARNED

\$ 662,333

CITY OF SANTA BARBARA
Summary of Cash and Investments
January 31, 2008

ENDING BALANCE AS OF DECEMBER 31, 2007

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 37,000,000	5.050%	24.31%	1
Certificates of Deposit	2,000,000	5.000%	1.31%	353
Treasury Securities - Coupon	3,963,059	4.752%	2.60%	487
Federal Agency Issues - Coupon	92,336,737	5.084%	60.67%	737
Corporate/Medium Term Notes	16,889,717	5.103%	11.10%	739
Totals and Averages	\$ 152,189,514	5.068%	100.00%	547
SBB&T Money Market Account	4,104,460			
Total Cash and Investments	\$ 156,293,974			

NET CASH AND INVESTMENT ACTIVITY FOR JANUARY 2008 **\$ 14,391,806**

ENDING BALANCE AS OF JANUARY 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 49,500,000	4.620%	30.18%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.22%	291
Treasury Securities - Coupon	3,968,162	4.752%	2.42%	425
Federal Agency Issues - Coupon	89,394,684	5.056%	54.50%	707
Corporate/Medium Term Notes	19,173,324	4.929%	11.69%	681
Totals and Averages	\$ 164,036,170	4.901%	100.00%	479
SBB&T Money Market Account	6,649,610			
Total Cash and Investments	\$ 170,685,780			

Note:

(1) The average life of the LAIF portfolio as of January 31, 2008 is 197 days.

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2008

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	4.620	4.620	27,500,000.00	27,500,000.00	27,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	4.620	4.620	22,000,000.00	22,000,000.00	22,000,000.00	0.00	
Subtotal, LAIF							49,500,000.00	49,500,000.00	49,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,997,047.38	2,069,530.00	72,482.62	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,971,114.86	2,017,810.00	46,695.14	
Subtotal, Treasury Securities							4,000,000.00	3,968,162.24	4,087,340.00	119,177.76	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,980,644.69	2,035,940.00	55,295.31	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,289.56	2,075,630.00	76,340.44	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,039,530.55	2,157,190.00	117,659.45	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,660.08	2,054,690.00	55,029.92	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,975,916.91	2,018,130.00	42,213.09	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,983,201.31	2,093,440.00	110,238.69	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,997,420.42	2,045,940.00	48,519.58	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	977,029.23	1,022,970.00	45,940.77	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,956,706.47	2,027,500.00	70,793.53	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,014,677.16	2,141,880.00	127,202.84	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,928,417.28	2,057,190.00	128,772.72	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	994,681.69	1,046,410.00	51,728.31	
FEDERAL HOME LOAN BANK	05/18/07	05/15/12	Aaa	AAA	5.500	5.523	2,000,000.00	1,999,417.37	2,017,190.00	17,772.63	Callable to maturity
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,237.83	1,056,410.00	55,172.17	
FEDERAL HOME LOAN BANK	12/18/06	04/21/08	Aaa	AAA	3.450	5.021	2,000,000.00	1,993,315.11	2,002,500.00	9,184.89	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,034,690.00	34,690.00	Callable 11/10/2008 once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,006,347.88	2,069,380.00	63,032.12	
FEDERAL HOME LOAN BANK	01/14/05	07/14/08	Aaa	AAA	4.000	4.000	1,000,000.00	1,000,000.00	1,000,310.00	310.00	Callable to maturity
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,045,000.00	45,000.00	Callable 2/17/2009 once
FEDERAL HOME LOAN BANK	04/28/06	04/28/10	Aaa	AAA	5.400	5.400	2,000,000.00	2,000,000.00	2,012,810.00	12,810.00	Callable 4/28/2008 once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,016,095.00	16,095.00	Callable 9/08/2008 once
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,003,021.94	1,017,970.00	14,948.06	
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	995,837.38	1,017,815.00	21,977.62	

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	06/23/06	06/30/08	Aaa	AAA	3.000	5.500	2,000,000.00	1,980,660.74	2,001,260.00	20,599.26	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,029,070.00	29,070.00	Callable 8/18/2008 once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,002,730.39	1,038,910.00	36,179.61	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,972.58	2,437,697.85	92,725.27	
FEDERAL HOME LOAN BANK	11/08/06	03/24/08	Aaa	AAA	3.150	5.140	2,000,000.00	1,994,405.08	2,000,620.00	6,214.92	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,437.29	2,105,010.00	105,572.71	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,004,797.80	2,040,000.00	35,202.20	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,985,845.27	2,078,750.00	92,904.73	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,942.32	2,027,190.00	27,247.68	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,436,713.61	1,479,906.25	43,192.64	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,980,201.63	2,087,820.00	107,618.37	
FEDERAL HOME LOAN BANK	12/04/07	05/18/09	Aaa	AAA	4.280	4.323	2,000,000.00	1,998,885.97	2,000,620.00	1,734.03	Callable to maturity
FEDERAL HOME LOAN MTG CORP	06/16/06	06/02/08	Aaa	AAA	4.350	5.370	2,000,000.00	1,993,566.09	2,009,720.00	16,153.91	
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	986,254.83	1,022,520.00	36,265.17	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,003,441.02	2,037,180.00	33,738.98	Callable 11/14/2008 once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,974,572.52	2,077,820.00	103,247.48	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,076,520.00	76,520.00	Callable 10/15/2009 once
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,017,380.00	17,380.00	Callable 9/08/2008 once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,972,846.77	2,063,560.00	90,713.23	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,063,980.00	63,980.00	Callable 4/20/2009 once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,945,583.23	2,049,000.00	103,416.77	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,031,060.00	31,060.00	Callable to maturity
FEDERAL NATL MORTGAGE ASSN	02/25/05	02/25/08	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	Callable to maturity
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,979,403.31	2,085,630.00	106,226.69	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,974,808.45	2,023,750.00	48,941.55	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,992,169.81	2,043,440.00	51,270.19	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,997,092.41	2,032,810.00	35,717.59	
Subtotal, Federal Agencies							89,795,000.00	89,394,683.98	92,029,564.10	2,634,880.12	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,270,812.00	2,285,910.00	15,098.00	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,055,807.77	2,128,900.00	73,092.23	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,979,996.68	2,038,680.00	58,683.32	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	987,486.02	1,008,040.00	20,553.98	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,953,444.63	1,992,360.00	38,915.37	
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,007,733.07	2,042,180.00	34,446.93	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,965,688.55	2,024,100.00	58,411.45	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1	AA+	4.000	5.000	2,000,000.00	1,989,981.69	2,002,400.00	12,418.31	

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,979,480.81	2,036,400.00	56,919.19	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,982,892.70	2,037,760.00	54,867.30	
Subtotal, Corporate Securities							19,250,000.00	19,173,323.92	19,596,730.00	423,406.08	
TOTALS							164,545,000.00	164,036,170.14	167,213,634.10	3,177,463.96	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.